

		FOR OHF USE					

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2003
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2003)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
 THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
 PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
 OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
 ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
 RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
 HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: <u>0023945</u>		II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER	
Facility Name: <u>Alden Heather Rehab & HCC</u>		I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/2003</u> to <u>12/31/2003</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.	
Address: <u>15600 S. Honore</u> <u>Harvey</u> <u>60426</u> Number City Zip Code		Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.	
County: <u>Cook</u>		Officer or Administrator of Provider (Signed) _____ (Date) _____ (Type or Print Name) <u>STEVEN M. KROLL</u> (Title) <u>CHIEF FINANCIAL OFFICER</u>	
Telephone Number: <u>(708) 333-9550</u> Fax # <u>(708) 333-9554</u>		Paid Preparer (Signed) _____ (Date) _____ (Print Name and Title) _____ (Firm Name & Address) _____ (Telephone) <u>()</u> Fax # <u>()</u>	
IDPA ID Number: <u>36-2949011</u>		MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630	
Date of Initial License for Current Owners: <u>06/01/81</u>			
Type of Ownership:			
<input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____		<input checked="" type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> "Sub-S" Corp. <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____	
<input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____			
In the event there are further questions about this report, please contact: Name: <u>STEVEN M. KROLL</u> Telephone Number: <u>(773) 286-3883</u>			

STATE OF ILLINOIS

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Facility Name & ID Number Alden Heather Rehab & HCC# 0023945 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed beds _____

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>172</u>	Skilled (SNF)	<u>172</u>	<u>62,780</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>172</u>	TOTALS	<u>172</u>	<u>62,780</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	<u>11,503</u>	<u>141</u>	<u>2,190</u>	<u>13,834</u>	8
9	SNF/PED					9
10	ICF	<u>18,512</u>	<u>315</u>	<u>1</u>	<u>18,828</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>30,015</u>	<u>456</u>	<u>2,191</u>	<u>32,662</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 52.03%

D. How many bed-hold days during this year were paid by Public Aid?

0 (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)n/aF. Does the facility maintain a daily midnight census? yesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☐ NO ☒

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐ NO ☒

I. On what date did you start providing long term care at this location?

Date started 4/1/78

J. Was the facility purchased or leased after January 1, 1978?

YES ☐ Date _____ NO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒ NO ☐ If YES, enter number
of beds certified 67 and days of care provided 2,097Medicare Intermediary AdminiStar Federal

IV. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐Is your fiscal year identical to your tax year? YES ☒ NO ☐Tax Year: 12/31/03 Fiscal Year: 12/31/03

* All facilities other than governmental must report on the accrual basis.

STATE OF ILLINOIS

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Facility Name & ID Number

Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	160,218	22,488	7,571	190,277	464	190,741		190,741			1
2	Food Purchase		182,954		182,954	(22,387)	160,567	(18,746)	141,821			2
3	Housekeeping	124,624	27,657		152,281	387	152,668		152,668			3
4	Laundry	49,849	13,317		63,166	91	63,257		63,257			4
5	Heat and Other Utilities			81,337	81,337		81,337	(3,017)	78,320			5
6	Maintenance	51,281	1,512	100,133	152,926	63	152,989	7,735	160,724			6
7	Other (specify):*			48	48		48		48			7
8	TOTAL General Services	385,972	247,928	189,089	822,989	(21,382)	801,607	(14,028)	787,579			8
	B. Health Care and Programs											
9	Medical Director			10,300	10,300		10,300		10,300			9
10	Nursing and Medical Records	1,156,816	130,988	4,152	1,291,956	4,128	1,296,084	(32,647)	1,263,437			10
10a	Therapy	18,432			18,432		18,432		18,432			10a
11	Activities	56,517	2,021	4,812	63,350	29	63,379		63,379			11
12	Social Services	39,091			39,091		39,091		39,091			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	1,270,856	133,009	19,264	1,423,129	4,157	1,427,286	(32,647)	1,394,639			16
	C. General Administration											
17	Administrative	111,250			111,250		111,250		111,250			17
18	Directors Fees											18
19	Professional Services			518,705	518,705	(3,500)	515,205	(484,303)	30,902			19
20	Dues, Fees, Subscriptions & Promotions			37,214	37,214		37,214	(29,162)	8,052			20
21	Clerical & General Office Expenses	280,479	14,482	28,584	323,545	248	323,793	(617)	323,176			21
22	Employee Benefits & Payroll Taxes			290,982	290,982	16,977	307,959	29,271	337,230			22
23	Inservice Training & Education											23
24	Travel and Seminar			4,456	4,456		4,456	6,805	11,261			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			118,284	118,284		118,284	158	118,442			26
27	Other (specify):*			201,980	201,980		201,980	(201,980)				27
28	TOTAL General Administration	391,729	14,482	1,200,205	1,606,416	13,725	1,620,141	(679,828)	940,313			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,048,557	395,419	1,408,558	3,852,534	(3,500)	3,849,034	(726,503)	3,122,531			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

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Facility Name & ID Number Alden Heather Rehab & HCC

#0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			58,051	58,051		58,051	100,732	158,783			30
31	Amortization of Pre-Op. & Org.							947	947			31
32	Interest			210,018	210,018		210,018	(26,636)	183,382			32
33	Real Estate Taxes			407,410	407,410	3,500	410,910	3,896	414,806			33
34	Rent-Facility & Grounds			519,756	519,756		519,756	(519,756)				34
35	Rent-Equipment & Vehicles			7,088	7,088		7,088	12,543	19,631			35
36	Other (specify):*							9,234	9,234			36
37	TOTAL Ownership			1,202,323	1,202,323	3,500	1,205,823	(419,040)	786,783			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		121,350	144,138	265,488		265,488	(81,151)	184,337			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			94,718	94,718		94,718		94,718			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		121,350	238,856	360,206		360,206	(81,151)	279,055			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,048,557	516,769	2,849,737	5,415,063		5,415,063	(1,226,694)	4,188,369			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.

In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer- ence	3 OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	87,490	30		9
10	Interest and Other Investment Income	(21)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(319)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(27,805)	21		17
18	Fines and Penalties	(19,358)	32		18
19	Entertainment	(887)	20		19
20	Contributions	(1,695)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(10,576)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(201,980)	27		24
25	Fund Raising, Advertising and Promotional	(24,072)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (199,223)		\$	30

OHF USE ONLY						
48		49	50	51	52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(469,805)	various	34
35	Other- Attach Schedule	(557,666)	pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,027,471)		36
37	(sum of SUBTOTALS TOTAL ADJUSTMENTS (A) and (B))	\$ (1,226,694)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	\$		38
39			X			39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

Alden Heather Rehab & HCC

ID# 0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	late fee on utilities	\$ (5,044)	5	1
2				2
3	Intercompany Interest	(190,660)	32	3
4				4
5	Eliminate Rent due to sale / leaseback	(519,756)	34	5
6	Mortgage Insurance	9,234	36	6
7	Mortgage Interest	154,781	32	7
8	Adj deferred maint expense to match correct amt	1,508	6	8
9	Marketing Manager	(21,709)	21	9
10	Add back Therapeutic Interest (part of 7031)	1,300	32	10
11	Back out 30.13% of IHCA dues	(2,815)	20	11
12	Backout prior yr vend. Settlement costs (maint.)	16,938	6	12
13	Backout prior yr vend. Settlement costs (maint.)	25	6	13
14	RC f21 t6 - misc vend sett.	(16,963)	6	14
15	RC f21 t6 - misc vend sett.	16,963	21	15
16	Adj deprec exp to correct amount	837	30	16
17	PT Fees - Actually Rev (5205)	432	39	17
18	Rvse credit adj - Klafter & Burke - prior yr (6809)	875	19	18
19	Marketing Employ.Benefits Deduction	(3,612)	22	19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(557,666)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(319)	0	0	(18,427)	0	0	0	0	0	0	0	(18,746)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(5,044)	0	2,027	0	0	0	0	0	0	0	0	(3,017)	5
6	Maintenance	1,508	0	6,584	0	0	0	(46)	(311)	0	0	0	7,735	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(3,855)	0	8,611	(18,427)	0	0	(46)	(311)	0	0	0	(14,028)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(32,249)	(398)	0	0	0	0	0	0	(32,647)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	(32,249)	(398)	0	0	0	0	0	0	(32,647)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(9,701)	0	(474,602)	0	0	0	0	0	0	0	0	(484,303)	19
20	Fees, Subscriptions & Promotions	(29,469)	0	307	0	0	0	0	0	0	0	0	(29,162)	20
21	Clerical & General Office Expenses	(32,551)	0	18,074	11,375	2,485	0	0	0	0	0	0	(617)	21
22	Employee Benefits & Payroll Taxes	(3,612)	0	32,317	0	566	0	0	0	0	0	0	29,271	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	6,805	0	0	0	0	0	0	0	0	6,805	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	158	0	0	0	0	0	0	0	0	158	26
27	Other (specify):*	(201,980)	0	0	0	0	0	0	0	0	0	0	(201,980)	27
28	TOTAL General Administration	(277,313)	0	(416,941)	11,375	3,051	0	0	0	0	0	0	(679,828)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(281,168)	0	(408,330)	(39,301)	2,653	0	(46)	(311)	0	0	0	(726,503)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	88,327	0	10,584	0	1,821	0	0	0	0	0	0	100,732	30
31	Amortization of Pre-Op. & Org.	0	0	915	0	0	32	0	0	0	0	0	947	31
32	Interest	(53,958)	0	27,046	0	228	48	0	0	0	0	0	(26,636)	32
33	Real Estate Taxes	0	0	3,801	0	95	0	0	0	0	0	0	3,896	33
34	Rent-Facility & Grounds	(519,756)	0	0	0	0	0	0	0	0	0	0	(519,756)	34
35	Rent-Equipment & Vehicles	0	0	12,543	0	0	0	0	0	0	0	0	12,543	35
36	Other (specify):*	9,234	0	0	0	0	0	0	0	0	0	0	9,234	36
37	TOTAL Ownership	(476,153)	0	54,889	0	2,144	80	0	0	0	0	0	(419,040)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	432	0	0	(7,919)	(10,415)	(63,249)	0	0	0	0	0	(81,151)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	432	0	0	(7,919)	(10,415)	(63,249)	0	0	0	0	0	(81,151)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(756,889)	0	(353,441)	(47,220)	(5,618)	(63,169)	(46)	(311)	0	0	0	(1,226,694)	45

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Alden Management Services	100	See pg 6k	See pg 6k	See pg 6k	See pg 6k	See pg 6k

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger	4 Amount	5 Cost to Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
			Item		Name of Related Organization				
1	V		See the following page 6's	\$			\$	\$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	22 employee benefits	\$	Alden Management Services		\$ 32,317	\$ 32,317
16	V	19 profess. Fees	483,600	Alden Management Services		8,998	(474,602)
17	V	21 g & a		Alden Management Services		18,074	18,074
18	V	5 utilities		Alden Management Services		2,027	2,027
19	V	6 maintenance		Alden Management Services		6,584	6,584
20	V	24 auto/travel		Alden Management Services		6,805	6,805
21	V	26 Insurance		Alden Management Services		158	158
22	V	20 subscriptions/etc		Alden Management Services		307	307
23	V	30 depreciation		Alden Management Services		10,584	10,584
24	V	31 amortization		Alden Management Services		915	915
25	V	33 real estate tax		Alden Management Services		3,801	3,801
26	V	34 rent		Alden Management Services			
27	V	35 rent-equip/vehicles		Alden Management Services		12,543	12,543
28	V	32 interest		Alden Management Services		27,046	27,046
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 483,600			\$ 130,159	\$ * (353,441)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	2 tube-feeding	\$ 33,120	Pyramid Health Care	100.00%	\$ 14,693	\$ (18,427)
16	V	10 nursing supplies	38,186	Pyramid Health Care		5,937	(32,249)
17	V	39 per diems/other supplies	17,216	Pyramid Health Care		9,297	(7,919)
18	V	21 gen'l & admin		Pyramid Health Care		11,375	11,375
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 88,522			\$ 41,302	\$ * (47,220)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	39 drugs	\$ 33,916	Forum Extended Care II	100.00%	\$ 28,652	\$ (5,264)
16	V	10 house stock	2,563	Forum Extended Care II		2,165	(398)
17	V	39 I.V.	33,195	Forum Extended Care II		28,044	(5,151)
18	V	22 employee benefits		Forum Extended Care II		566	566
19	V	21 gen'l & admin		Forum Extended Care II		2,485	2,485
20	V	32 interest		Forum Extended Care II		228	228
21	V	33 real estate tax		Forum Extended Care II		95	95
22	V	30 depreciation		Forum Extended Care II		1,821	1,821
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 69,674			\$ 64,056	\$ * (5,618)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	39 therapy	\$ 140,049	Community Physical Therapy	100.00%	\$ 76,800	\$ (63,249)	15
16	V	32 interest		Community Physical Therapy		48	48	16
17	V	31 amortization		Community Physical Therapy		32	32	17
18	V							18
19	V							19
20	V							20
21	V							21
22	V							22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 140,049			\$ 76,880	\$ * (63,169)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	6 repairs and maintenance	\$ 14,294	Alden Bennett Construction		\$ 14,248	\$ (46)
16	V						
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 14,294			\$ 14,248	\$ * (46)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	6 CARPET CLEANING	\$ 68	ALDEN REALTY - CARPET CARE		\$ 63	\$ (5)
16	V	6 FLOOR CLEANING	5,390	ALDEN REALTY - FLOOR CARE		5,084	(306)
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 5,458			\$ 5,147	\$ * (311)

* Total must agree with the amount recorded on line 34 of Schedule VI.

STATE OF ILLINOIS

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Facility Name & ID Number ALDEN NURSING CENTER - HEATHER

002-3945

Report Period Beginning 01/01/03

Ending: 12/31/03

RELATED NURSING HOMES	
Name	City
Note: ANC = Alden Nursing Center	
ANC Lakeland	Chicago
ANC Long Grove	Long Grove
ANC Waterford	Aurora
ANC Lincoln Park	Chicago
ANC Northmoor	Chicago
ANC Town Manor	Chicago
ANC Terrace of McHenry	McHenry
ANC Morrow	Chicago
ANC Wentworth	Chicago
ANC Naperville	Naperville
ANC Valley Ridge	Bloomington
ANC Village for Children & Young Adults	Bloomington
ANC Orland Park	Orland Park
ANC Princeton	Chicago
Alden of Old Town East	Bloomington
Alden of Old Town West	Bloomington
Alden Trails	Bloomington
Alden Northshore	Skokie
ANC Des Plaines	Des Plaines
ANC Des Plaines II	Des Plaines
ANC Alma Nelson	Rockford
ANC Park Stratmoor	Rockford
ANC Meadow Park	Clinton, WI
ANC Poplar Creek	Hoffman Estates
ANC Governor's Park of Barrington	Barrington

OTHER RELATED BUSINESS ENTITIES		
Name	City	Type of Business
The Forum Prof. Center	Chicago	Office rental
Pyramid Health Care	Chicago	Nursing supplies
Forum Extended Care II	Chicago	Pharmacy
Alden Management	Chicago	Management
Alden Estates of Evanston	Evanston	Assisted living
Community Physical Therapy	Wood Dale	Therapy provider
Courts of Waterford	Aurora	Alzheimers unit
Gardens of Waterford	Aurora	Assisted living

STATE OF ILLINOIS

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Facility Name & ID Number Alden Heather Rehab & HCC # 0023945 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Floyd Schlossberg a.	President	Chief Executive	100.00	336,014	1.216	3.04	salary	\$ 10,538	17-1	1
2	Lauren Magnusson b.	Nurse coordinator	Nursing Admin.	0.00	84,417	1.216	3.04	salary	2,648	10-1	2
3	Terry Magnusson c.	Maint. Supervisor	Construct/maint	0.00	81,634	1.216	3.04	salary	2,560	6-1	3
4											4
5											5
6											6
7	a. Floyd Schlossberg is the President and sole stockholder of Alden Management Services, Inc.										7
8	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is the nurse coordinator.										8
9	c. Terry Magnusson is the son-in-law of floyd Schlossberg. Terry is in maintenance and construction.										9
10											10
11											11
12											12
13								TOTAL	\$ 15,746		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees).
FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME.
ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Alden Heather Rehab & HCC # 0023945 Report Period Beginning: 01/01/2003 Ending: 2/31/2003

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization Alden Management Services, Inc.
 Street Address 4200 W. Peterson Ave.
 City / State / Zip Code Chicago
 Phone Number (773) 286-3883
 Fax Number (773) 286-3743

B. Show the allocation of costs below. If necessary, please attach worksheets.

1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	see page 8A (also on page 6A)				\$	\$		\$	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$	\$		\$	25

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
		YES	NO				Original	Balance					
	A. Directly Facility Related												
	Long-Term												
1	Proforma allocation of						\$	\$			\$	1	
2	mortg. Interest due to											2	
3	sale / leaseback		X	mortgage construction	\$17,353.57	6/1/80	2,430,000	1,846,813	21/31/2019	8.2500	154,781	3	
4			X									4	
5												5	
	Working Capital												
6	Related Party - AMS & T Syst	X		Working Capital							28,346	6	
7	Related Party - FECII	X		Working Capital							228	7	
8	Realted Party - CPT	X		Working Capital							48	8	
9	TOTAL Facility Related					\$17,353.57		\$ 2,430,000	\$ 1,846,813			\$ 183,403	9
	B. Non-Facility Related*												
10	Interest Income on Corp										(21)	10	
11												11	
12												12	
13												13	
14	TOTAL Non-Facility Related							\$	\$			\$ (21)	14
15	TOTALS (line 9+line14)							\$ 2,430,000	\$ 1,846,813			\$ 183,382	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 9,234 Line # 36

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number Alden Heather Rehab & HCC

0023945 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2002 report.		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	\$	485,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)			\$	442,410	2
3. Under or (over) accrual (line 2 minus line 1).			\$	(42,590)	3
4. Real Estate Tax accrual used for 2003 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	450,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	3,500	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	410,910	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	1998	422,921	8		
	1999	366,150	9		
	2000	405,265	10		
	2001	465,182	11		
	2002	442,410	12		
current yr cost is estimated based on a slight increase over prior yrs actual invoice.					
				13	FROM R. E. TAX STATEMENT FOR 2002 \$ 13
				14	PLUS APPEAL COST FROM LINE 5 \$ 14
				15	LESS REFUND FROM LINE 6 \$ 15
				16	AMOUNT TO USE FOR RATE CALCULATION \$ 16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2002 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2002 real estate tax costs, as well as copies of your real estate tax bills for calendar 2002.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2002 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2003 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Heather Rehab & HCC COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0023945

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

TELEPHONE 773-286-3883 FAX #: 773-286-3743

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2002 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2002.

(A)	(B)	(C)	(D) <u>Tax</u> <u>Applicable to</u> <u>Nursing Home</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	
1. <u>29-18-410-063-0000</u>	<u>nursing home</u>	\$ <u>441,774.79</u>	\$ <u>441,774.79</u>
2. <u>29-18-410-054-0000</u>	<u>nursing home</u>	\$ <u>634.81</u>	\$ <u>634.81</u>
3. _____	<u>Related Party - Alden Management</u>	\$ <u>125,008.00</u>	\$ <u>3,801.00</u>
4. _____	<u>Related Party - Forum</u>	\$ <u>8,317.00</u>	\$ <u>95.00</u>
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u><u>575,734.60</u></u>	\$ <u><u>446,305.60</u></u>

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES x NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the 2002 tax bills which were listed in Section A to this statement. Be sure to use the 2002 tax bill which is normally paid during 2003.

X. BUILDING AND GENERAL INFORMATION:

A.
Square Feet:
48,971

B. General Construction Type:

Exterior
brick / concrete
Frame
Steel

Number of Stories
3

C.
Does the Operating Entity?

(a) Own the Facility
(b) Rent from a Related Organization.

X

(c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D.
Does the Operating Entity?

(a) Own the Equipment
(b) Rent equipment from a Related Organization.

X

(c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E.
List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F.
Does this cost report reflect any organization or pre-operating costs which are being amortized?

YES

X

NO

If so, please complete the following:

1. Total Amount Incurred:

2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization:

4. Dates Incurred:

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Patient Care	62,115	1978	\$ 90,580	1
2					2
3	TOTALS	62,115		\$ 90,580	3

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003 Ending: 12/31/2003

XL OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	49		1978	1975	\$ 496,626	\$	27	\$ 18,394	\$ 18,394	\$ 455,509	4
5	123		1980	1980	1,789,311		30	59,644	59,644	1,443,198	5
6	addition		1979	1979	38,500		30	1,283	1,283	30,374	6
7											7
8	related party- forum			1978	15,909		22			15,909	8
	Improvement Type**										
9	LAND IMPROVEMENT/ROFFING/HVAC		1980		168,496		10-27	3,279	3,279	155,191	9
10	PAVING/PAINTING/DRAINAGE TILE		1981		13,153		10-30	495	495	11,727	10
11	ROOFING		1983		3,100		12			3,100	11
12	DOOR WINDOW/BEARING ASSEMBLY/WATER PUMP		1984		15,805		5			15,805	12
13	ROOFING/HEAT EXCHANGE/MOTOR/BASEBOARD		1985		17,603		8-10			17,603	13
14	ROOF REPAIR/SEAL PARKING LOT/HEAT EXCHANGE		1986		40,170		2-10			40,170	14
15	COMPRESSOR REPR/INSTLL FLOW/SWTCH/REWIRE ALARM		1988		15,385		5 & 10			15,385	15
16	REPL HEAT EXCHANGE/ROOFTOP EXHST/RE-BRICK WALL		1991		22,663	486	5-25	486		18,637	16
17	HOT WTER TANK/SEWER REPAIR		1992		15,092	533	5 & 15	533		13,334	17
18	SEWAGE EJECTOR/VALVE/MOTOR		1993		12,871	1,038	5&10	1,038		13,087	18
19	ROOF REPAIR/BOILER/PUMP REPAIR/ALARM REPAIR		1994		32,136		3			32,136	19
20	ALARM REPAIR/LOCKK SEET & KEYS/FLOOR REPAIR		1995		43,408	1,651	3-20	1,651		37,490	20
21	TILE INSTALLED & REPAIR CORRIDOR		1996		1,558	156	10	156		1,220	21
22	REMOVED & REPLACED NEW MOTOR		1996		3,292	329	10	329		2,579	22
23	REMOVED & INSTALLED NEW MOTOR		1996		1,714	171	10	171		1,343	23
24	ELECTRICAL REPAIR		1996		3,127	156	20	156		1,199	24
25	WINDOW REPAIR		1996		6,466	323	20	323		2,452	25
26	VALVE REPAIR		1996		1,523	102	15	102		770	26
27	BOILER LEAKING		1996		6,876	458	15	458		3,324	27
28	WINDOW REPAIR		1996		2,713	136	20	136		961	28
29	WINDOW REPAIR		1993		7,441		5			7,441	29
30	WINDOW REPAIR		1994		13,715		5			13,715	30
31	FLOOR TILE & BASE		1995		788	39	20	39		338	31
32	INSTALL ASPHALT		1996		16,215	1,622	10	1,622		12,026	32
33	INSTALL DOOR FRAME		1997		2,517	252	10	252		1,678	33
34	INSTALL VENT PIPE FOR DRYER		1997		6,180		5			6,180	34
35	INSTALL TILE		1997		1,706		5			1,706	35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
37 REPLACE BOILER ROOM- TOP A/C	1997	\$ 6,000	\$	5	\$	\$	\$ 6,000	37	
38 INSTALL GAS PIPE	1997	4,220		5			4,220	38	
39 INSTALL NEW VALVE AND RECOPPER	1998	1,864	31	5	31		1,864	39	
40 PIPING	1998	7,104	284	25	284		1,658	40	
41 ROOF REPAIR	1998	2,920	292	10	292		1,703	41	
42 REPAIR & CHECK VOLTAGE OUTPUT	1998	1,780	59	5	59		1,780	42	
43 REPLACED VALVE - HOT WATER	1998	3,270	163	5	163		3,270	43	
44 REMODELED & DECORATED ROOMS	1998	28,760	1,917	15	1,917		10,865	44	
45 WHIRLPOOL TURBINE	1998	1,599	107	5	107		1,599	45	
46 REPLACE EXHAUST FAN	1998	1,950	130	15	130		737	46	
47 FIX FLOOR TILE	1998	3,626	363	10	363		2,085	47	
48 INSTALL DOOR MONITORING SYSTEM	1998	1,587	159	10	159		860	48	
49 INSTALL SECURITRON ANNUNCIATOR	1998	1,764	176	10	176		955	49	
50 REPLACE BOILER ON STEAMER	1998	4,283	428	10	428		2,391	50	
51 INSTALL RESET CONTROL ON BOILER	1998	3,900	195	20	195		1,056	51	
52 WRAP CHILLER PIPES	1998	2,682	134	20	134		693	52	
53 REPLACE PUMP MOTOR	1998	4,425	295	15	295		1,524	53	
54 PAINT	1998	7,845	1,569	5	1,569		9,021	54	
55 CLIMATE SERICE (CLEANED BOILER, VALVE)	1999	1,374	69	20	69		343	55	
56 CLIMATE SERVICE (REPLACE MISING VALVE	1999	3,317	221	15	221		1,106	56	
57 CLIMATE SERVICE (INSTALLLL HOT WATER HEATER)	1999	7,391	493	15	493		2,423	57	
58 CLIMATE SERVICE (INSTALL ROOF TOP REPLACEMENT)	1999	9,935	994	10	994		4,885	58	
59 CLIMATE SERVICE (REPAIR HEATING UNIT)	1999	1,643	110	15	110		529	59	
60 ENVIRON VISION ENVIRONMENT	1999	2,919	292	10	292		1,435	60	
61 CHICAGO COOLING CORP (SHUTDOWN BOILER & AC	1999	2,117	212	10	212		970	61	
62 ABC CARPENTRY	1999	2,031	203	10	203		931	62	
63								63	
64								64	
65								65	
66								66	
67								67	
68								68	
69								69	
70 TOTAL (lines 4 thru 69)		\$ 2,936,365	\$ 16,348		\$ 99,443	\$ 83,095	\$ 2,440,490	70	

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 2,936,365	\$ 16,348		\$ 99,443	\$ 83,095	\$ 2,440,490	1
2	ABC WINDOW SCREENS	1999	3,916	392	10	392		1,795	2
3	ABC INSULATION	1999	3,203	320	10	320		1,468	3
4	CLIMATE SERVICE, INC. (INSTALL CONDENSER)	1999	4,565	304	15	304		1,370	4
5	WIGDAHL ELECTRIC (RECEPTACLES INSTALLED)	1999	5,457	273	20	273		1,228	5
6	CLIMATE SERVICE, INC. (REPLACE MOTOR ON FAN)	1999	2,772	277	10	277		1,247	6
7	CLIMATED SERVICE, INC. - REPLACE FAN MOTOR	1999	1,693	169	10	169		762	7
8	ADVANCED PARTS -GARBAGE DISPOSAL	1999	6,515	1,303	5	1,303		5,755	8
9	THE FLOOR SOURCE -INSTALL CARPET	1999	2,469	494	5	494		2,099	9
10	FOX VALLEY FIRE & SAFETY-DOOR ALARM SYSTEM	1999	2,540	169	15	169		706	10
11	CLIMATE SERVICE, INC.-BOILER	1999	8,437	422	20	422		1,723	11
12	ABC - GENERAL	1999	4,099	410	10	410		1,674	12
13									13
14	ABC ROOF	1999	2,501	250	10	250		1,021	14
15	ABC HARDWARE	1999	1,792	179	10	179		235	15
16	CLIMATE SERVICE, INC. REPAIR BURNER	1999	1,615	161	10	161		659	16
17	FOX VALLEY FIRE & SAFETY -SMOKE DETECTORS	1999	7,500	750	10	750		3,063	17
18	DELETE ABOVE ITEM	2000	(7,500)	(750)	10	(750)		(3,000)	18
19	ABC-BUILDING CONSTRUCTION/VARIOUS	2000	3,244	324	10	324		1,135	19
20	FOX VALLEY -SMOKE DETECTORS	2000	7,500	750	10	750		3,000	20
21	FOX VALLEY-DOOR ALARMS	2000	1,931	193	10	193		772	21
22	LONG ELEVATOR-ATTACHMENTS	2000	1,751	88	20	88		350	22
23	CLIMATE SERVICES-BOILER ROOM	2000	4,422	221	20	221		866	23
24	CI-SERVICE DRAPES/RODS	2000	9,460	1,892	5	1,892		6,938	24
25	ADJUST 1999 TOTAL TO CORRECT AMOUNTS	2000	10	1	10	1		4	25
26	ABC-BUILDING MAINT CONSTRUCT-VARIOUS	2000	19,015	1,901	10	1,901		6,655	26
27	NEW HORIZONS-TELEPHONE SYSTEM	2000	1,670	167	10	167		598	27
28	ABC-SEAL & STRIPE PARK. LOT	2000	4,154	415	10	415		1,315	28
29	CSI CORKER SERVICE	2001	4,773	239	20	239		597	29
30	ABC-TIME & MATERIAL BILLING	2001	13,300	1,330	10	1,330		2,922	30
31	CAPPS PLUMBING	2001	12,236	1,224	10	1,224		2,749	31
32	GT MECHANICAL - WATER HEATER	2001	4,559	304	15	304		684	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 3,075,964	\$ 30,522		\$ 113,617	\$ 83,095	\$ 2,490,878	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning:

01/01/2003 Ending: 12/31/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 3,075,964	\$ 30,522		\$ 113,617	\$ 83,095	\$ 2,490,878	1
2	Retile Basement Corridor 1	2002	3,650	365	10	365		608	2
3	Retile Basement Corridor 2	2002	3,650	365	10	365		547	3
4	Replace 4 Windows	2002	782	78	10	78		117	4
5	Replace 10 Windows	2002	2,204	220	10	220		441	5
6	Repiping 15' 2" galv pipe	2002	1,165	47	25	47		78	6
7	Replace RPZ Valve main Boiler Room	2002	545	36	15	36		67	7
8	Replace RPZ Valves 1 small Boiler Room	2002	1,865	124	15	124		228	8
9	Replace 3 outside valves	2002	1,165	78	15	78		110	9
10	ABC - Replace doors	2002	4,103	410	10	410		445	10
11	Security Services - Keypad entry system	2002	1,575	105	15	105		114	11
12	Security Services - Door Alarm System	2002	2,035	136	15	136		147	12
13	CAPPS Replace Drain Line	2002	2,965	148	20	148			13
14	GT Mechanical - replace chiller condensor motor	2002	2,876	192	15	192		272	14
15	GT Mechanical - Replace Bearing assem. Big Boiler	2002	1,357	90	15	90		173	15
16	GT Mechanical - Hot water circ pump lg. Boiler room	2002	698	47	15	47		93	16
17	CSI - Replace valves, steamer & timer on ovens	2002	1,761	117	15	117		235	17
18	Healthcare Products - Repair wheelchairs	2002	2,282	761	3	761		951	18
19	CAPPS - Repair Sprinkler System	2002	1,165	78	15	78		110	19
20	GT Mechanical - Repair Heater	2002	1,658	111	15	111		138	20
21	A&B Custom Cabel install 21 cable outlets	2003	1,731	144	10	144		144	21
22	ABC - New floor in PT Room	2003	3,896	292	10	292		292	22
23	A&B Custom Cabel install 27 cable outlets	2003	2,318	135	10	135		135	23
24	A&B Custom Cabel install 97 cable outlets	2003	6,969	407	10	407		407	24
25	Security Service - Door alarm service	2003	2,284	76	15	76		76	25
26	Capps - Repair 1st floor drains	2003	1,553	143	10	143		143	26
27	GT Mech- Repair water pump	2003	1,674	335	5	335		335	27
28	CSI - Repair Dishwasher	2003	1,953	228	5	228		228	28
29	Capps - Repair Sewer	2003	3,755	146	15	146		146	29
30	New Horizons Comm - Repair Phone system	2003	1,908	223	5	223		223	30
31	Capps - New Laundry Tub 1of2	2003	1,800	90	10	90		90	31
32	Capps - New Laundry Tub 2of2	2003	2,214	111	10	111		111	32
33	New Horizons Comm - Repair Phone system	2003	2,897	290	5	290		290	33
34	TOTAL (lines 1 thru 33)		\$ 3,148,417	\$ 36,649		\$ 119,744	\$ 83,095	\$ 2,498,371	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 3,148,417	\$ 36,649		\$ 119,744	\$ 83,095	\$ 2,498,371	1
2	ABC - Repair Roof	2003	10,191	425	10	425		425	2
3	CSI - Repair Drain	2003	1,768	206	5	206		206	3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 3,160,376	\$ 37,280		\$ 120,375	\$ 83,095	\$ 2,499,002	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		\$ 3,160,376	\$ 37,280		\$ 120,375	\$ 83,095	\$ 2,499,002	1
2									2
3	Related Party-Forum:								3
4	Leasehold Improvement-Remodeling	1980	16,755		20			16,755	4
5	Leasehold Improvement-Remodeling	1980	1,047		10			1,047	5
6	Leasehold Improvement-Remodeling	1986	559		5			559	6
7	Leasehold Improvement-Remodeling	1990	350		5			350	7
8	Leasehold Improvement-Remodeling	1991	82		5			82	8
9	Leasehold Improvement-Remodeling	1993	7,732		10			7,732	9
10	Leasehold Improvement-Remodeling	1993	6,056		9.7			6,056	10
11	Leasehold Improvement-sign	1994	226	14	12	14		120	11
12	Leasehold Improvement-dryvit	1995	384	24	10	24		203	12
13	Leasehold Improvement-new ac	1999	626	39	15	39		203	13
14	Leasehold Improvement-roof	1985	843	44	19	44		843	14
15	Leasehold Improvement-roof	1994	748	47	15	47		529	15
16	Leasehold Improvement-roof	1997	710	44	15	44		349	16
17	Leasehold Improvement-roof	1998	1,205	75	15	75		507	17
18	Leasehold Improvement-parking lot asphalt	2000	96	32	10	32		63	18
19	Leasehold Improvement-hallway lighting	2001	135	27	10	27		56	19
20	Leasehold Improvement-DAI	2001	169	17	10	17		53	20
21	Leasehold Improvement-bathrooms	2002	630	63	10	63		80	21
22	Leasehold Improvement-Remodeling	2002	91	18	5	18		36	22
23	Leasehold Improvements-Remodeling	2003	1,638	164	10	164		164	23
24	Leasehold Improvements-Remodeling	2003	105	4	4	4		4	24
25									25
26	Related Party-AMS:								26
27	Leasehold Improvement-Remodeling	1993	6,132		7			6,132	27
28	Leasehold Improvement-Remodeling	2002	5,020	627	7	627		4,392	28
29	Leasehold Improvement-Remodeling	2003	5,251	660	7	660		4,611	29
30									30
31									31
32									32
33	Forum Extended Care, LLC-building/building improv	1999	15,137	378		378		1,896	33
34	TOTAL (lines 1 thru 33)		\$ 3,232,103	\$ 39,557		\$ 122,652	\$ 83,095	\$ 2,551,824	34

**Improvement type must be detailed in order for the cost report to be considered complete.

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 322,409	\$ 27,290	\$ 27,290	\$	Varies	\$ 206,983	71
72	Current Year Purchases	55,631	3,352	3,352		Varies	3,352	72
73	Fully Depreciated Assets	168,939	3,438	3,438		Varies	168,939	73
74								74
75	TOTALS	\$ 546,979	\$ 34,080	\$ 34,080	\$		\$ 379,274	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	car engine/bus/van	: dodge/other	98-'03	\$ 11,860	\$ 2,052	\$ 2,052	\$	3	\$ 11,658	76
77										77
78										78
79										79
80	TOTALS			\$ 11,860	\$ 2,052	\$ 2,052	\$		\$ 11,658	80

E. Summary of Care-Related Assets

	1 Reference	2 Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 3,881,522	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 75,688	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 158,783	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 83,095	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 2,942,756	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	N/A	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$ N/A	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Omega Healthcare, Inc.

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions.

☒ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:		172	10/29/86	\$	10	10	3
4	Additions							4
5								5
6								6
7	TOTAL		172		\$			7

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: ☒ YES ☐ NO Terms: right of first refusal *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

☐ YES ☒ NO

16. Rental Amount for movable equipment: \$ 7,118 Description: copy machine, postage meter

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Related Party - AMS		\$ 1,045.25	\$ 12,543	17
18					18
19					19
20					20
21	TOTAL		\$ 1,045.25	\$ 12,543	21

10. Effective dates of current rental agreement:

Beginning 11/1/01

Ending 10/31/06

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. 12/2004 \$ 509,760

13. 12/2005 \$ 509,760

14. 12/2006 \$ 509,760

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

<p>1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?</p> <p style="text-align: right;"> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO </p> <p>If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p> <p>Skilled nurses on site</p>	<p>2. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>
---	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

		1		2		3	4
		Facility					
		Drop-outs	Completed	Contract	Total		
1	Community College Tuition	\$	\$	\$	\$		
2	Books and Supplies						
3	Classroom Wages (a)						
4	Clinical Wages (b)						
5	In-House Trainer Wages (c)						
6	Transportation						
7	Contractual Payments						
8	Nurse Aide Competency Tests						
9	TOTALS	\$	\$	\$	\$		
10	SUM OF line 9, col. 1 and 2 (e)	\$					

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$ _____

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
 (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
 (c) For in-house training programs only. Do not include fringe benefits.
 (d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
 (f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39-3	hrs	\$		\$ 70,914	\$		\$ 70,914	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			3,371			3,371	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			65,765			65,765	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See pg 16A	# of prescrpts				25,839		25,839	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):	See pg 16A					18,448		18,448	13
14	TOTAL			\$		\$ 140,050	\$ 44,287		\$ 184,337	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending:

12/31/2003

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2003

(last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$		1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 75,000)	815,621		3
4	Supply Inventory (priced at)	1,121		4
5	Short-Term Investments			5
6	Prepaid Insurance	9,611		6
7	Other Prepaid Expenses	1,464		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Due from 3rd party	59,546		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 887,363	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	730,120		15
16	Equipment, at Historical Cost	421,405		16
17	Accumulated Depreciation (book methods)	(738,708)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	(124,200)		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 288,617	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,175,980	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,000,605	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	134,329		28
29	Short-Term Notes Payable	6,517		29
30	Accrued Salaries Payable	196,742		30
31	Accrued Taxes Payable (excluding real estate taxes)	11,900		31
32	Accrued Real Estate Taxes(Sch.IX-B)	450,000		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	other accrued exps	39,388		36
37	Due to Affiliates	5,959,135		37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 7,798,616	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	9,451		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 9,451	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 7,808,067	\$	46
47	TOTAL EQUITY (page 18, line 24)	\$ (6,632,087)	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,175,980	\$	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (5,156,350)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (5,156,350)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,475,737)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (1,475,737)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (6,632,087)	24 *

* This must agree with page 17, line 47.

VII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.
Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

		1	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 3,635,310	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 3,635,310	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	14,269	6
7	Oxygen	22,465	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 36,734	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	(849)	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	(20,863)	19
20	Radiology and X-Ray	220	20
21	Other Medical Services	49,649	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 28,158	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	21	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 21	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Void checks from 2002</u>	4,426	28
28a	<u>Recovery of bad debt</u>	607	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 5,033	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 3,705,256	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	822,989	31
32	Health Care	1,423,129	32
33	General Administration	1,606,416	33
B. Capital Expense			
34	Ownership	1,202,323	34
C. Ancillary Expense			
35	Special Cost Centers	265,488	35
36	Provider Participation Fee	94,718	36
D. Other Expenses (specify):			
37	<u>Related party salary allocations</u>	(234,070)	37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 5,180,993	40
41	Income before Income Taxes (line 30 minus line 40)**	(1,475,737)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,475,737)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? not yet done If not, please attach a reconciliation.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending:

12/31/2003

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	2,437	2,595	\$ 80,153	\$ 30.89	1
2	Assistant Director of Nursing					2
3	Registered Nurses	3,645	4,116	99,948	24.28	3
4	Licensed Practical Nurses	19,991	21,250	455,296	21.43	4
5	Nurse Aides & Orderlies	44,501	47,665	444,320	9.32	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,965	2,085	28,947	13.88	9
10	Activity Assistants	3,127	3,302	27,570	8.35	10
11	Social Service Workers	1,880	1,999	39,091	19.56	11
12	Dietician					12
13	Food Service Supervisor	1,856	2,072	25,725	12.42	13
14	Head Cook	4,005	4,292	35,504	8.27	14
15	Cook Helpers/Assistants	9,994	11,037	95,932	8.69	15
16	Dishwashers					16
17	Maintenance Workers	1,712	1,968	38,772	19.70	17
18	Housekeepers	11,658	12,579	120,051	9.54	18
19	Laundry	6,578	7,144	59,849	8.38	19
20	Administrator	1,992	2,080	60,964	29.31	20
21	Assistant Administrator	325	325	7,506	23.10	21
22	Other Administrative	2,940	3,104	55,186	17.78	22
23	Office Manager					23
24	Clerical	5,077	5,261	73,154	13.90	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,914	2,266	48,088	21.22	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)	868	898	18,431	20.52	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	126,465	136,038	\$ 1,814,487 *	\$ 13.34	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	\$ 7,571	1-3	35
36	Medical Director	Monthly	10,300	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	4,152	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	66	3,500	11-3	44
45	Social Service Consultant	21	1,096	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	87	\$ 26,619		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$ n/a		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

Facility Name & ID Number Alden Heather Rehab & HCC

0023945

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

XIX. SUPPORT SCHEDULES

A. Administrative Salaries			Ownership		D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	%	Amount	Description	Amount	Description	Amount		
Johnson, D	Administrator	0	\$ 31,111	Workers' Compensation Insurance	\$ 28,532	IDPH License Fee	\$		
Villafania, M	Administrator	0	29,853	Unemployment Compensation Insurance	34,880	Advertising: Employee Recruitment			
Daniel Johnson	Asst.Administrator	0	7,506	FICA Taxes	138,487	Health Care Worker Background Check	245		
				Employee Health Insurance	30,927	(Indicate # of checks performed <u>35</u>)			
				Employee Meals	22,387				
				Illinois Municipal Retirement Fund (IMRF)*		Surety bond fee	750		
Executive / Management	Executive Mgmt		42,780	Union, Helth & Welfare	28,578	II. Health care assoc.	6,527		
TOTAL (agree to Schedule V, line 17, col. 1)				Dental, life, pension costs	14,590	Software Licnese	123		
(List each licensed administrator separately.)			\$ 111,250	Relations, misc, and tuition reimbursement	7,437	State Guardian	100		
B. Administrative - Other				Drug test, 401k match, vaccinations	2,141	Related Party - AMS	307		
Description			Amount	Marketing Employ.Benefits Deduction	(3,612)	Less: Public Relations Expense	()		
			\$	Related Party - AMS	32,317	Non-allowable advertising	()		
				Related Party - FECH	566	Yellow page advertising	()		
				TOTAL (agree to Schedule V, line 22, col.8)	\$ 337,230	TOTAL (agree to Sch. V, line 20, col. 8)	\$ 8,052		
TOTAL (agree to Schedule V, line 17, col. 3)			\$	E. Schedule of Non-Cash Compensation Paid to Owners or Employees					
(Attach a copy of any management service agreement)				Description	Line #	Amount	G. Schedule of Travel and Seminar**		
C. Professional Services							Description	Amount	
Vendor/Payee	Type		Amount				Out-of-State Travel	\$	
AMS	Management Fees		\$ 483,600						
BDO Seidman	Accounting Fees		10,609				In-State Travel		
Ken Fisch / Greenberg	Legal Fees		19,047				misc/gas/repairs	2,777	
J.Hermann	Legal Fees		1,999				Related Party - AMS	6,805	
Talx Corp	Unemployment Cons.		220				Seminar Expense		
Mediacom	billing consultants		339				CCP Sanitation class / training	720	
Kelly Appraisal	Property assessment		3,500				MDS & seminars	959	
Jennings Law / Dana Cons.	401k services		267				Entertainment Expense	()	
Klafter & Burke	Legal Fees		(875)				(agree to Sch. V, line 24, col. 8)		
				TOTAL		\$	TOTAL	\$ 11,261	
TOTAL (agree to Schedule V, line 19, column 3)									
(If total legal fees exceed \$2500 attach copy of invoices.)			\$ 518,705						

* Attach copy of IMRF notifications

**See instructions.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
 (See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13	
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	Repair boiler	1991	\$ 5,878	5	\$	\$	\$	\$	\$	\$	\$	\$	
2	A/C compressor	1992	8,561	5-15	180	180	180	180	180	180	180	120	
3	Fan/Misc. HVAC	1993	32,328	3-10	360	360	360	90	1	0			
4	Painting/HVAC	1995	32,616	3-15	513	513	513	513	513	513	513	513	
5	Painting/HVAC	1996	38,397	3-15	1,234	1,066	831	831	831	831	676	494	
6	Repair boiler	1/97	2,242	3	0	0							
7	Repair Exhaust pipe	2/97	1,583	3	44	0							
8	Replace mixing val.	3/97	1,850	3	103	0							
9	Repair hot water tank	12/97	5,170	3	1,580	0							
10	Replace heat exchange	10/97	2,287	3	572	0							
11	Repair hot water pipes	3/99	3,038	3	1,013	1,013	169						
12	Sump pump repair	8/99	3,450	3	1,150	1,150	671						
13	Painting>1500	7/99	11,105	3	3,702	3,702	1,851						
14	ABC-construction/maint	6/00	1,907	3	371	636	636	265					
15	GT Mechan-water storage	6/00	3,088	3	601	1,029	1,029	430					
16	ABC - wall deco/paint	9/00	13,642	3	1,516	4,547	4,547	3,033					
17	Painting >1500	7/00	9,031	3	1,505	3,010	3,010	1,506					
18	GT Mechan-circ pump	2/01	1,604	3		490	535	535	44				
19	CSI Corker Ser.	8/01	3,568	3		495	1,189	1,189	695				
20	TOTALS		\$ 181,345		\$ 14,444	\$ 18,191	\$ 15,521	\$ 8,572	\$ 2,264	\$ 1,524	\$ 1,369	\$ 1,127	\$ 1,007

Report Period Beginning: 1/1/03 Ending: 12/31/03

(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13	
Improvement Type	Month/Yr Improvement	Total Cost	Useful Life	Amount of Expense Amortized Per Year								REMAINDER	
				FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007		FY2008
From pg 22		181,345		14,444	18,191	15,521	8,572	2,264	1,524	1,369	1,127	1,007	117,327
ABC - wall deco/paint	7/2003	3,043	3				507	1,014	1,014	507			0
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Facility Name & ID Number Alden Heather Rehab & HCC

STATE OF ILLINOIS

0023945

Report Period Beginning: 01/01/2003

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Ending: 12/31/2003

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN, LPN, NA) represented by a union? Yes
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. IL Health care Assoc. \$9,342
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 5,826 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? Yes
If YES, give effective date of lease. 10/29/86
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 94,718
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 22,387 Has any meal income been offset against related costs? no Indicate the amount. \$ n/a
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? Yes
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? Yes
Firm Name: BDO Seidman The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? No If no, please explain. Not yet completed
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

Alden Nursing Center - Heather
Reporting Period Beginning
Reporting Period Ending

002-3945
1/01/03
12/31/03

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Reclassifications - Pgs 3 and 4

From Line	To Line	Amount	Description
2		(22,387)	Employee Meal
	22	22,387	Employee Meal
22		(5,410)	Uniforms
	10	4,129	Uniforms
	6	63	Uniforms
	4	91	Uniforms
	1	463	Uniforms
	3	387	Uniforms
	11	29	Uniforms
	21	248	Uniforms
19		(3,500)	R/E Tax Appeal
	33	3,500	R/E Tax Appeal
		<hr/> 0	Net should be 0